Appl. No. 09/648,449
Amendment dated August 23, 2004
Reply to Office Action of April 23, 2004

REMARKS

The present invention is a method of authenticating an action between the control point and the user; a method of authenticating a control point, a method of authenticating an action; and a device for authenticating a control point.

The formal drawings are submitted herewith which address the requirement of the Examiner and which include functional labels applied to various boxes as set forth in Figs. 1, 4, 5 and 6.

Claims 1-32 stand rejected under 35 U.S.C. §102 as being anticipated by United States Patent 4,454,414 (Benton). The Examiner reasons as follows:

> "Referring to claims 1-3, 5-13, 15-20, 23-29, 31, 32, Benton discloses a fund transfer system wherein a first potable module (token), point of sale terminal (control point), and a central computer (token issuer) are used to complete financial transfers. The first portable module establishes a bi-directional communication with the point of sale terminal, and the portable module is authenticated using identification information from the module such as a PIN number (Abstract, Col. 6, lines 21-37), which meets the limitations of presenting a token to said control point, authenticating the token at the control point, control point authorizing said action based on information provided by said token, and wherein said action comprises a financial transaction and access control. The first portable module (token), point of sale terminal (control point), and central computer (token issuer) all communicate via bi-directional communication pads which are established using handshaking protocols (authentication)(Col. 8, lines 15-52), which meets the limitations of authenticating said control point using said token and authenticating online between said token and said token issuer (emphasis added)."

These grounds of rejection are traversed for the following reasons.

Each of the independent claims 1, 10, 20 and 23 recites different degrees of scope authentication of a control point. It is noted that the Examiner has stated that in Benton the first portable module is a token, a point of sale terminal is a control point and a central computer is a token issuer. Moreover the Examiner goes on to state correctly that the portable term module, which is the token, is authenticated

17

using information from the module. It is therefore seen that the Examiner has misconstrued the claims in that each of the claims refers to authenticating <u>a control point using the token</u> and not authenticating the token as the Examiner has construed the claims to mean. In the system of Benton there is no reference to the point of sale terminal being authenticating and therefore this limitation of the independent claims is not met.

With respect to Benton, the first and second modules are mated with data transfer occurring between the two in accordance with the amount of a transaction. See column 2, lines 45-53. Moreover, the operation of the modules to make a transaction is described in detail in column 5, lines 54-68 through column 6, lines 1-37. As is clear from the description therein, the vendee enters a pin which, when accepted, is followed by the entry of the amount of the transaction. Thereafter, the vendee presses the transfer key to forward data to the vendor module which is then viewed by the vendor. The vendor now enters the present date and presses the transfer key indicating that the transaction is acceptable with the vendee unit storing the date and the vendor account number while the vendor unit stores the date and vendee pin. The vendee and vendor account balances are adjusted to reflect the transaction which are stored in the vendor and vendee units. It is therefore seen that the described operation does not involve the claimed authenticating of a control point which the Examiner has construed as a point of sale terminal which is not even described in the above sequence.

Each of independent claims 1, 10 and 20 refers to authenticating said control point based on either using the token which is cited as performing authentication or information obtained regarding the control point.

18

Moreover, claim 23 recites a device for authenticating a control point including a communication portion which obtains information regarding said control point and communicates with an external entity to authenticate said control point based on said information.

Therefore, it is seen that the claims call for a relationship of authenticating a control point which does not meet the Examiner's construction of how Benton is read to meet the claim limitations.

Accordingly, it is submitted that claims 1-32 are not anticipated. Moreover, it is submitted that the subject matter of claims is not obvious.
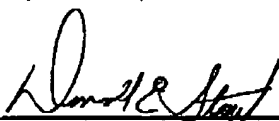
In view of the foregoing amendments and remarks, it is submitted that each of the claims in the application is in condition for allowance. Accordingly, early allowance thereof is respectfully requested.

To the extent necessary, Applicants petition for an extension of time under 37 CFR §1.136. Please charge any shortage of fees due in connection with the filing of this paper, including extension of time fees, to the Deposit Account of Antonelli, Terry, Stout & Kraus, No. 01-2135 (Application No. 0171.38726X00), and please credit any excess fees to said deposit account.

Respectfully submitted,
ANTONELLI, TERRY, STOUT & KRAUS, LLP

By _____
Donald E. Stout (Reg. No. 26,422)
Attorney for Applicant(s)

DES/btd

1300 North Seventeenth Street, Suite 1800
Arlington, Virginia 22209
Tel.: (703) 312-6600
Fax: (703) 312-6666

19